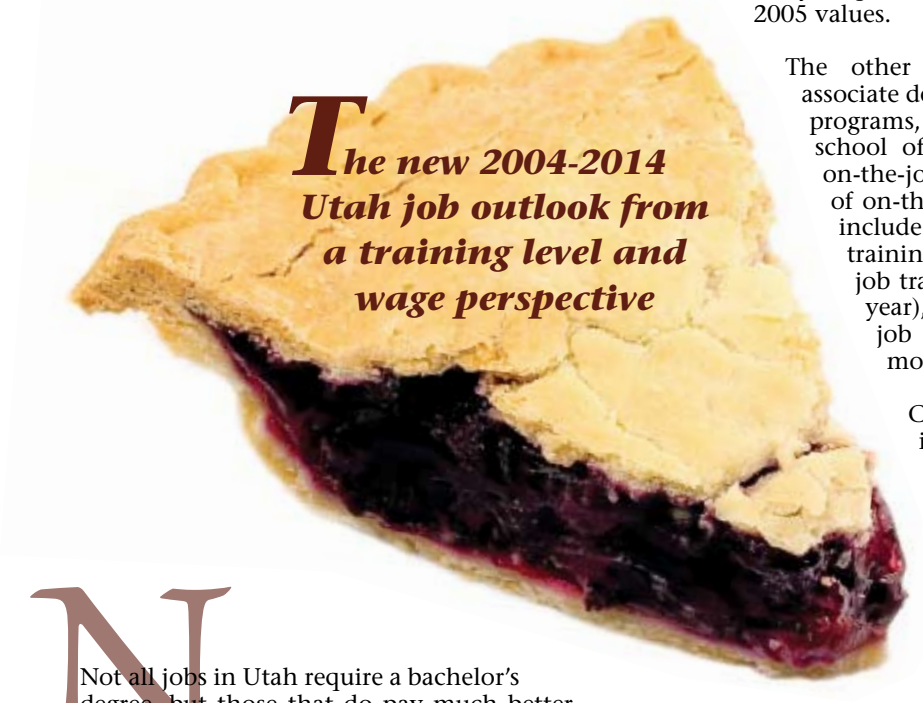
Any way you slice it



The new 2004-2014 Utah job outlook from a training level and wage perspective

Not all jobs in Utah require a bachelor's degree, but those that do pay much better. An analysis of the training level and wages of Utah's jobs now and in 2014 corroborates this statement. This is not radical news. In this analysis the training levels/requirements of Utah jobs and their current pay reflect the continuing trends in the labor market. First let's look at the training and job picture, followed by meshing in the average pay associated with the different training levels.

The percent of total jobs in Utah requiring a bachelor's degree or more is about 20 percent, or one in five jobs. In 2004, the base year of the projections, about 19.9 percent of the total 1.3 million jobs in Utah called for a bachelor's degree or higher. In 2014 the bachelor's percentage increases to 20.8 percent (see the first graph). Total jobs in 2014 are projected to reach the 1.7-million mark.

In the analysis, each of the approximately 750 occupations in the occupational classification system used in the projections has a training code assigned to it by the U.S. Bureau of Labor Statistics. These 11 training codes range from occupations that require virtually no training other than observing another worker in an on-the-job setting, to significant formal training where a professional degree is required (i.e. attorney). For the purposes of clarity, the top 5 of the 11 training level codes were combined into a group of bachelor's degree or higher, leaving only 6 groups to discuss a more workable number. Refer to the two graphs for jobs by training level and wages in 2014 and jobs by training level and wages for the new jobs created between 2004 and 2014. The average hourly wages in both these graphs reflect 2005 values.

The other training levels include associate degrees, applied technology programs, work experience, the school of hard knocks, long-term on-the-job training (a year or more of on-the-job training which may include formal classroom or skill training), moderate-term on-the-job training (one month to one year), and short-term on-the-job training (less than one month).

Clearly most of the jobs in Utah fall in the short-term on-the-job training category where 35.2 percent of jobs in 2004 were, and where 34.2 percent of jobs in 2014 will be. Moderate-term on-the-job training is required of about 20 percent of jobs in the state, both in 2004 and 2014. Long-term on-the-job occupations, which are more skilled because of training and work experience, account for an 8-percent slice of Utah jobs in 2004 and 2014. Occupations that require work experience add just under 8 percent of the total.

Jobs in occupations calling for post-secondary training (beyond high school) include those in the applied technology occupations (about 5 percent of the total) and in jobs requiring an associate's degree. Associate degree occupations accounted for 3.5 percent in 2004 and 3.8 percent in 2014.

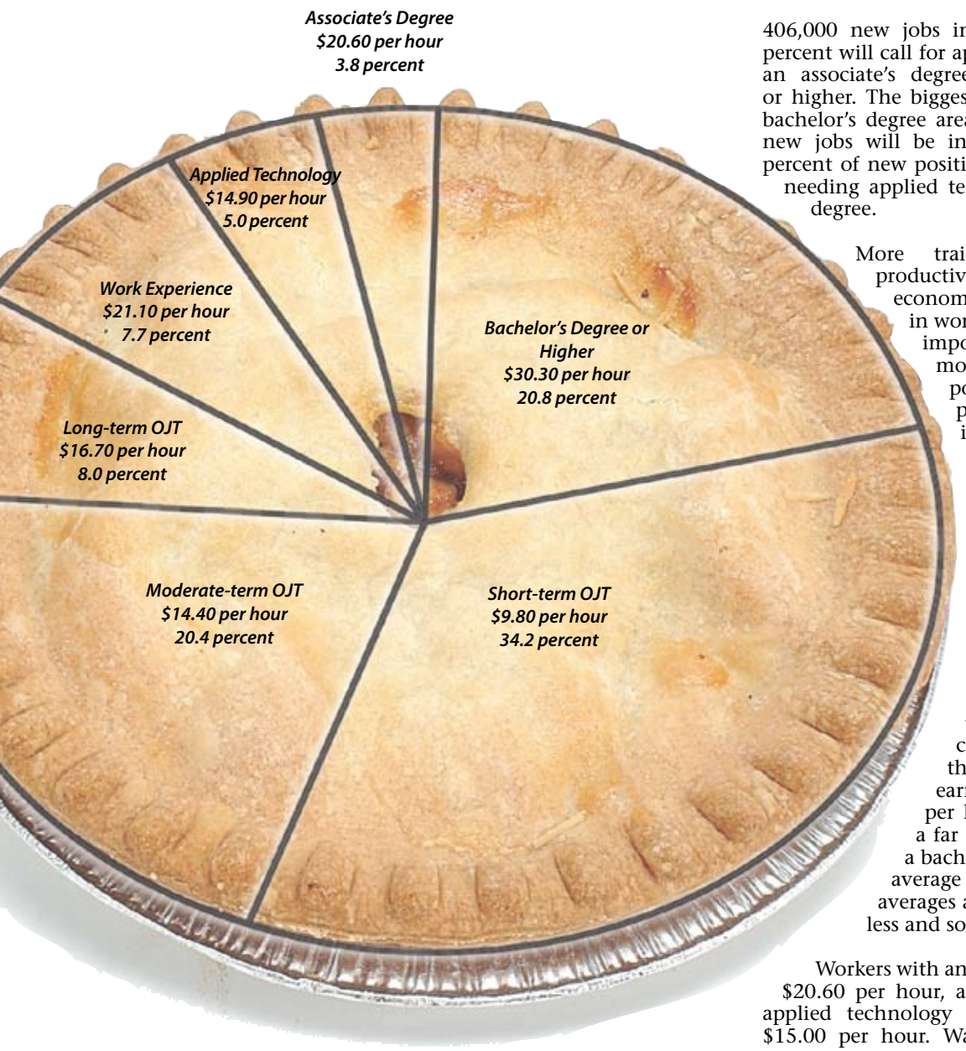
The major thrust of this training level analysis, comparing 2004 and 2014 is simple. The trend is for more training. That means the economy, at least for the better jobs, is going to look toward more post-secondary training—training beyond high school. To make the point even clearer, let's look at the training requirements of new jobs between 2004 and 2014. Of the anticipated

Continued

Percent of

Utah Jobs in 2014

by Training Level and 2005 Average Wage



406,000 new jobs in Utah through 2014, 34 percent will call for applied technology training, an associate's degree, or a bachelor's degree or higher. The biggest difference will be in the bachelor's degree area where 24 percent of the new jobs will be in that category. About 10 percent of new positions will be in occupations needing applied technology or an associate's degree.

More training enhances worker productivity, which enables our economy to be more competitive in world markets. And even more important to the individual, more training yields the potential for a bigger paycheck, which leads us into the next topic of the analysis, the relationship between training and higher wages.

More Training = More Money

The old adage of the more you learn, the more you earn, is true. Workers qualifying for occupations that call for virtually no training, those that are classified as short-term on-the-job training, can expect to earn an average of about $9.80 per hour (2005 wages). This is a far cry from those that obtain a bachelor's degree or higher who average $30.30 per hour. These are averages and some workers will earn less and some a great deal more.

Workers with an associate's degree averaged $20.60 per hour, and those with training in applied technology programs averaged about $15.00 per hour. Wages for those workers in occupations requiring work experience registered a wage of just over $21.00 per hour. This wage is higher because many of these workers have been in their jobs for many years and have worked their way up the pay structure. Long-term on-the-job occupations averaged $16.70 per hour and moderate-term occupations a little less at $14.40 per hour.

The point is clear: get more education to make more money. Another very important point needs to be made. It is obvious from the data there is a relationship between training and wage. What is very important, but less apparent, is that earning power is limited if you lack post-secondary training. The potential for higher pay is limited by the lack of training or education. Earning potential is not limited if you get more training. Remember, work is a lifelong experience, and if you limit yourself to just graduating from high school and do not pursue further training, your lifetime earnings will be significantly restricted (see the section in this issue on economic insights for more in-depth information).

For more information on Utah's and the nation's job outlook, go to:

http://jobs.utah.gov/opencms/wi/occi.html

http://jobs.utah.gov/opencms/wi/pubs/outlooks/state/

http://www.bls.gov/oco/

http://www.bls.gov/opub/ooq/2006/spring/contents.htm

Projected

Training Levels of new Jobs through 2014